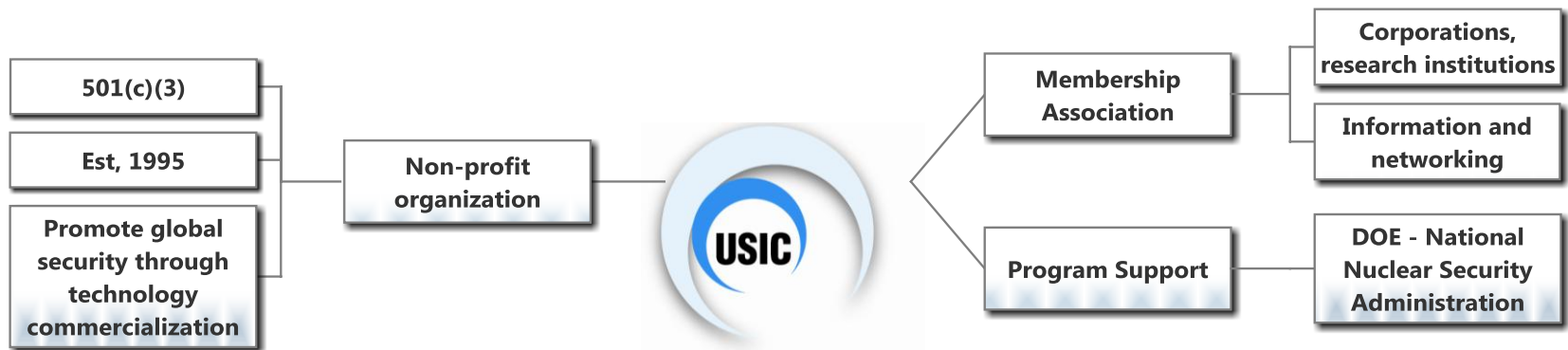


“A Tool in the Toolkit”: The Role of Private Industry in Nonproliferation Programs

Gerson S. Sher
Executive Vice President, U.S. Industry Coalition
Third GP International Working Group Meeting
Miami, Florida
April 16, 2012

What is USIC?



In the nonprofit world, we sometimes speak about...

Doing **Good**

by

Doing **Well**

...meaning that in order to carry out their public purpose, nonprofits must also be run like businesses and watch their bottom line.

But what I am going to talk about today is...

Doing **Well**

by

Doing **Good**

...meaning that in well-designed programs, for-profit companies can pursue the profit motive while contributing to important public goals!

Why Industry?

- **It's global.**
- **It's where innovation happens.**
- **It understands the global market.**
- **It creates value.**
- **It creates jobs.**
- **It knows how to get things done.**
- **It plans beyond the next budget cycle.**
- **It attracts money that Government cannot.**
- **It's often there before Government.**
- **It has access to facilities and people that Government often does not.**
- **It takes risks that Government tends to avoid.**

Nonproliferation Program Approaches Involving Industry

- **Teaching commercialization skills**
 - Workshops, venture fairs
 - Follow-on activities
- **Sharing special expertise**
 - Best practices in specific areas – e.g., GmP
 - Designing secure facilities
 - Promoting security culture
- **Joint research**
 - Pre-commercial R&D projects
 - Equipment-sharing
- **Business**
 - Joint ventures
 - Contractual – research, supply, distribution

One Interesting Program

- **Global Initiatives for Proliferation Prevention (NNSA)**
- **“Industry projects” – public-private partnerships between FSU institute, DOE lab, private U.S. company**
 - **Policy goal – long-term engagement through job creation**
 - **Shared funding**
 - **USG: Funds work in FSU, oversight by national labs**
 - **U.S. Industry: 100% cost-share – tangible investment**
 - **Host Country: Varies; need more**
 - **Complementary incentives**
 - **USG: Reduce proliferation risks**
 - **U.S. Industry: Make money by access to highly qualified technical talent – “Doing Well by Doing Good”**

By the Numbers - Inputs

240

Projects

160

U.S. companies

\$10-20M/year

From U.S. Government

100%

Cost-share from U.S. companies

By the Numbers - Outcomes

180	Foreign* institutes
17,000*	Foreign* scientists and engineers
28%	Commercially successful projects
2,800	Civilian, commercially supported FSU jobs resulting
\$80 million	Revenue to FSU companies/institutes
\$170 million	Revenue to U.S. companies
\$284 million	Follow-on investments

Lessons Learned

- **One size does not fit all regions, goals – “A Tool in the Toolkit”**
- **Equitable contributions from U.S. and host country – not assistance**
- **Powerful leverage for attracting private funds for nonproliferation programs**
- **“Lessening the burden on government”**
- **Metrics**

Thank you!